



DEPARTMENT OF COMMERCE

International Trade Administration

[C-570-089]

Certain Steel Racks and Parts Thereof from the People's Republic of China: Preliminary Results of Countervailing Duty Administrative Review and Intent To Rescind the Review, in Part; 2020

AGENCY: Enforcement and Compliance, International Trade Administration, Department of Commerce.

SUMMARY: The U.S. Department of Commerce (Commerce) preliminarily determines that the companies subject to this countervailing duty (CVD) administrative review of certain steel racks and parts thereof (steel racks) from the People's Republic of China (China) received countervailable subsidies during the period of review (POR), January 1, 2020, through December 31, 2020. Interested parties are invited to comment on these preliminary results of review.

DATES: Applicable [Insert date of publication in the *Federal Register*].

FOR FURTHER INFORMATION CONTACT: Drew Jackson AD/CVD Operations, Office IV, Enforcement and Compliance, International Trade Administration, U.S. Department of Commerce, 1401 Constitution Avenue, NW, Washington, DC 20230; telephone: (202) 482-4406.

SUPPLEMENTARY INFORMATION:

Background

On September 16, 2019, Commerce published the CVD order on steel racks from China.¹ On September 2, 2021, Commerce published a notice of opportunity to request an administrative review of the *Order* for the POR.² In August 2021, we received timely requests from multiple parties to conduct an administrative review of the *Order*. On November 5, 2021, we published a

¹ See *Certain Steel Racks and Parts Thereof from the People's Republic of China: Amended Final Affirmative Antidumping Duty Determination and Antidumping Duty Order; and Countervailing Duty Order*, 84 FR 48584 (September 16, 2019) (*Order*).

² See *Antidumping or Countervailing Duty Order, Finding, or Suspended Investigation; Opportunity to Request Administrative Review*, 86 FR 17137 (September 2, 2021).

notice of initiation for this administrative review.³ On May 25, 2022, Commerce extended the deadline for the preliminary results of this review by 120 days to September 30, 2022.⁴

For a complete description of the events that followed the initiation of this review, *see* the Preliminary Decision Memorandum.⁵ The Preliminary Decision Memorandum is a public document and is on file electronically via Enforcement and Compliance's Antidumping and Countervailing Duty Centralized Electronic Service System (ACCESS). ACCESS is available to registered users at <https://access.trade.gov>. In addition, a complete version of the Preliminary Decision Memorandum can be accessed directly at <https://access.trade.gov/public/FRNoticesListLayout.aspx>.

Scope of the Order

The scope of the *Order* covers steel racks from China. For a complete description of the scope of the *Order*, *see* the Preliminary Decision Memorandum.

Methodology

We are conducting this administrative review in accordance with section 751(a)(1)(A) of the Tariff Act of 1930, as amended (the Act). For each of the subsidy programs found countervailable, we determine that there is a subsidy, *i.e.*, a financial contribution by an “authority” that confers a benefit to the recipient, and that the subsidy is specific.⁶ For a full description of the methodology underlying our preliminary conclusions, including our reliance, in part, on adverse facts available pursuant to sections 776(a) and (b) of the Act, *see* the Preliminary Decision Memorandum. A list of topics included in the Preliminary Decision Memorandum is provided in the appendix to this notice.

Intent To Rescind Administrative Review, in Part

³ *See Initiation of Antidumping and Countervailing Duty Administrative Reviews*, 86 FR 61121 (November 5, 2021).

⁴ *See* Memorandum, “Steel Racks from the People’s Republic of China: Extension of Deadline for Preliminary Results of Countervailing Duty Administrative Review; 2020,” dated May 25, 2022.

⁵ *See* Memorandum, “Decision Memorandum for the Preliminary Results of the Administrative Review of the Countervailing Duty Order on Certain Steel Racks and Parts Thereof from the People’s Republic of China; 2020,” dated concurrently with, and hereby adopted by, this notice (Preliminary Decision Memorandum).

⁶ *See* sections 771(5)(B) and (D) of the Act regarding financial contribution; section 771(5)(E) of the Act regarding benefit; and section 771(5A) of the Act regarding specificity.

On December 2, 2021, Hebei Minmetals Co., Ltd. (Hebei Minmetals) timely filed a no-shipments certification.⁷ Based on information received from U.S. Customs and Border Protection (CBP), we intend to rescind the administrative review with regard to Hebei Minmetals, in accordance with 19 CFR 351.213(d)(3), in the final results of review.⁸

Preliminary Rate for Non-Selected Companies Under Review

There are 29 companies for which a review was requested and not subject to rescission in the final results of review, and which were not selected as mandatory respondents or found to be cross-owned with the mandatory respondent. The statute and Commerce's regulations do not directly address the establishment of rates to be applied to companies not selected for individual examination where Commerce limits its examination in an administrative review pursuant to section 777A(e)(2) of the Act. However, Commerce normally determines the rates for non-selected companies in reviews in a manner that is consistent with section 705(c)(5) of the Act, which provides the basis for calculating the all-others rate in an investigation.

Section 705(c)(5)(A)(i) of the Act instructs Commerce, as a general rule, to calculate an all-others rate equal to the weighted average of the countervailable subsidy rates established for exporters and/or producers individually examined, excluding any rates that are zero, *de minimis*, or based entirely on facts available. In this review, the sole mandatory respondent, Nanjing Dongsheng Shelf Manufacturing Co., Ltd. (Dongsheng), had a rate which was not zero, *de minimis*, or based entirely on facts available. Thus, for the companies for which a review was requested that were not selected as mandatory company respondents and for which Commerce is not rescinding the review, Commerce is basing the subsidy rate on the rate calculated for Dongsheng.

Preliminary Results of Review

⁷ See Hebei Minmetals' Letter, "Steel Racks from the People's Republic of China: Hebei Minmetals' No Shipment Letter," dated December 2, 2021.

⁸ See Memoranda, "Steel Racks from the People's Republic of China: Customs Data for Respondent Selection," dated November 24, 2021; and "Steel Racks from the People's Republic of China: Release of U.S. Customs and Border Protection Information Relating to No Shipment Claim," dated August 16, 2022.

As a result of this administrative review, we preliminarily find that the following net countervailable subsidy rates exist for the period January 1, 2020, through December 31, 2020:

Company	Subsidy Rate (percent <i>ad valorem</i>)
Nanjing Dongsheng Shelf Manufacturing Co., Ltd.	21.02

Review-Specific Rate Applicable to the Following Companies:

Company	Subsidy Rate (percent <i>ad valorem</i>)
Ateel Display Industries (Xiamen) Co., Ltd.	21.02
CTC Universal (Zhangzhou) Industrial Co., Ltd.	21.02
David Metal Craft Manufactory Ltd.	21.02
Fujian Ever Glory Fixtures Co., Ltd.	21.02
Guangdong Wireking Housewares and Hardware Co., Ltd.	21.02
Hebei Wuxin Garden Products Co., Ltd.	21.02
Huanghua Xinxing Furniture Co., Ltd.	21.02
i-Lift Equipment Ltd.	21.02
Johnson (Suzhou) Metal Products Co., Ltd.	21.02
Master Trust (Xiamen) Import and Export Co., Ltd.	21.02
Nanjing Ironstone Storage Equipment Co., Ltd.	21.02
Nanjing Kingmore Logistics Equipment Manufacturing Co., Ltd.	21.02
Ningbo Xinguang Rack Co., Ltd.	21.02
Redman Corporation	21.02
Redman Import & Export Limited	21.02
Suzhou (China) Sunshine Hardware & Equipment Imp. & Exp. Co. Ltd.	21.02
Tianjin Master Logistics Equipment Co., Ltd.	21.02
Xiamen Baihuide Manufacturing Co., Ltd.	21.02
Xiamen Ever Glory Fixtures Co., Ltd.	21.02
Xiamen Golden Trust Industry & Trade Co., Ltd.	21.02
Xiamen Kingfull Imp and Exp Co., Ltd.. (d.b.a) Xiamen Kingfull Displays Co., Ltd.	21.02
Xiamen LianHong Industry and Trade Co., Ltd.	21.02
Xiamen Luckyroc Industry Co., Ltd.	21.02
Xiamen Luckyroc Storage Equipment Manufacture Co., Ltd.	21.02
Xiamen Meitoushan Metal Products Co., Ltd.	21.02
Xiamen Power Metal Display Co., Ltd.	21.02
Xiamen XinHuiYuan Industrial & Trade Co., Ltd.	21.02
Xiamen Yiree Display Fixtures Co., Ltd.	21.02
Zhangjiagang Better Display Co., Ltd.	21.02

Assessment Rates

Upon issuance of the final results of this administrative review, consistent with section 751(a)(1) of the Act and 19 CFR 351.212(b)(2), Commerce shall determine, and CBP shall

assess, CVDs on all appropriate entries covered by this review. For the company for which we intend to rescind this review, upon issuance of the final rescission, Commerce will instruct CBP to assess CVDs on all appropriate entries at a rate equal to the cash deposit of estimated CVDs required at the time of entry, or withdrawal from warehouse, for consumption, during the period January 1, 2020, through December 31, 2020, in accordance with 19 CFR 351.212(c)(1)(i).

For the companies remaining in the review, Commerce intends to issue assessment instructions to CBP no earlier than 35 days after the date of publication of the final results of this review in the *Federal Register*. If a timely summons is filed at the U.S. Court of International Trade, the assessment instructions will direct CBP not to liquidate relevant entries until the time for parties to file a request for a statutory injunction has expired (*i.e.*, within 90 days of publication).

Cash Deposit Requirements

Pursuant to section 751(a)(2)(C) of the Act, Commerce intends, upon publication of the final results, to instruct CBP to collect cash deposits of estimated CVDs in the amounts calculated in the final results of this review for the respective companies listed above, on shipments of subject merchandise entered, or withdrawn from warehouse, for consumption on or after the date of publication of the final results of this administrative review. If the rate calculated in the final results is zero or *de minimis*, no cash deposit will be required on shipments of the subject merchandise entered or withdrawn from warehouse, for consumption on or after the date of publication of the final results of this review.

For all non-reviewed companies, we will instruct CBP to continue to collect cash deposits of estimated countervailing duties at the China-wide entity rate (*i.e.*, 144.50 percent)⁹ or the most

⁹ See *Order*, 84 FR at 48585.

recent company-specific rate applicable to the company, as appropriate. These cash deposit requirements, when imposed, shall remain in effect until further notice.

Disclosure and Public Comment

We intend to disclose the calculations performed for these preliminary results to parties in this proceeding within five days after public announcement of the preliminary results in accordance with 19 CFR 351.224(b). Pursuant to 19 CFR 351.309(c), interested parties may submit case briefs no later than 30 days after the date of publication of this notice. Rebuttal briefs, limited to issues raised in the case briefs, may be filed no later than seven days after the date for filing case briefs.¹⁰ Parties who submit case or rebuttal briefs in this proceeding are encouraged to submit with each argument: (1) a statement of the issue; (2) a brief summary of the argument; and (3) a table of authorities.¹¹ Note that Commerce has temporarily modified certain of its requirements for serving documents containing business proprietary information, until further notice.¹²

Pursuant to 19 CFR 351.310(c), interested parties who wish to request a hearing, limited to issues raised in the case and rebuttal briefs, must submit a written request to the Assistant Secretary for Enforcement and Compliance, filed electronically via ACCESS. An electronically filed document must be received successfully in its entirety by Commerce's electronic records system, ACCESS, by 5:00 p.m. Eastern Time within 30 days after the date of publication of this notice.¹³ Requests should contain: (1) the party's name, address, and telephone number; (2) the number of participants; and (3) a list of issues to be discussed. If a request for a hearing is made, we will inform parties of the scheduled date and time for the hearing.

Unless extended, we intend to issue the final results of this administrative review, including the results of our analysis of the issues raised by the parties in their case briefs, no later

¹⁰ See 19 CFR 351.309(d).

¹¹ See 19 CFR 351.309(c)(2) and (d)(2).

¹² See *Temporary Rule Modifying AD/CVD Service Requirements Due to COVID-19*, 85 FR 41363 (July 10, 2020).

¹³ See 19 CFR 351.310(c).

than 120 days after the date of publication of this notice in the *Federal Register*, pursuant to section 751(a)(3)(A) of the Act.

Notification to Interested Parties

We are issuing and publishing these preliminary results in accordance with sections 751(a)(1) and 777(i)(1) of the Act, and 19 CFR 351.213(d)(4) and 351.221(b)(4).

Dated: September 30, 2022.

Lisa W. Wang,
Assistant Secretary
for Enforcement and Compliance.

Appendix

List of Topics Discussed in the Preliminary Decision Memorandum

- I. Summary
- II. Background
- III. Scope of the *Order*
- IV. Non-Selected Companies Under Review
- V. Intent to Rescind Administrative Review, in Part
- VI. Diversification of China's Economy
- VII. Use of Facts Otherwise Available and Application of Adverse Inferences
- VIII. Subsidies Valuation
- IX. Interest Rate Benchmarks, Discount Rates, Steel Input, Electricity, and Natural Gas Benchmarks
- X. Analysis of Programs
- XI. Recommendation

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